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C O N F I D E N T I A L SECTION 01 OF 07 TALLINN 000277

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SUBJECT: U.S.-BALTIC RELATIONS REMAIN STRONG: U.S.-BALTICS
MULITARAL/BILATERAL WORKING GROUP MEETING, APRIL 10-12

Classified By: CDA Jeff Goldstein for reasons 1.4 (b) & (d).

11. (U) Summary. The Government of Estonia (GOE) hosted the U.S.-Baltic Multilateral and Bilateral Working Group Meeting in Tallinn on April 10-12. At the multilateral working group meetings, the key issues discussed were the future of the NATO Air Policing mission, international operations (in particular, Afghanistan and Iraq), NATO Response Force developments, and the current state of NATO-EU relations. By and large, U.S. and Baltic counterparts found common ground on most of the issues and agreed that U.S.-Baltic relations were positive and healthy. Additionally, the U.S. delegation held separate bilateral working group meetings with the Lithuanian, Estonian, and Latvian delegations. End Summary.

Air Policing

12. (C) Air Policing (AP) continues to be the most important NATO issue for all three Baltic States (Balts). In January, the Balts issued a joint statement requesting NATO to extend the AP mission until 2018, at which time the Balts plan to be able to provide their own air defense. The Balts reiterated their desire for a long-term AP solution that meets their desire for a 24/7 air defense system.

13. (C) Anthony Aldwell, OSD Principal Director for European and NATO Policy and Head of the U.S. delegation, acknowledged AP's importance to the Balts, and reiterated the USG's support for the NATO AP mission and commitment to evaluate ways to improve efficiencies. While Aldwell noted the Balts' decision to delay procuring fighter aircraft to 2018 as both strategically and financially sound, he encouraged their efforts to further reduce the cost burden for deployments on participating Nations. (Note. With the exception of Estonia, the Balts did not make any reference to procuring their own fighter aircraft as part of a permanent solution due to be made in 2011. End Note.) Aldwell noted the recent U.S. proposal on AP at NATO, which recommended a review of the AP mission on a three year cycle. The U.S. delegation recommended that, in addition to the primary AP mission, the Balts must make AP more attractive to contributing countries over the longer term (e.g., additional training possibilities, cost-sharing to reduce contributing countries' costs, longer rotations, improved efficiencies, etc.).

14. (C) All three Balts spoke at length of the importance AP

is to the public as the most visible sign of the benefits of NATO membership. Additionally, AP continues to play an important part in justifying Baltic contributions to NATO operations in Afghanistan to their respective publics in addition to the costs of focusing their defense transformation on achieving expeditionary capabilities. The Balts have already established a Regional Air Surveillance and Control Center (BALTNET) in Lithuania that has assumed command-control responsibility (which was previously done from Germany at the Combined Air Operations Center). The Baltic delegations expressed their satisfaction with the position recently put forward by the U.S. at NATO on AP.

International Operations

15. (C) The U.S. delegation thanked all three Balts for their contribution in international operations in the Global War on Terror, particularly in Afghanistan and Iraq. Additionally, unlike many other allies, Aldwell noted that none of the Balts has hamstrung its contributions with restrictive caveats, which has been noticed and appreciated in Washington. All three Balts reiterated their commitments in Afghanistan. Although small in absolute numbers, the Balts said that their contributions in Afghanistan represented a significant and sizeable percentage of their deployable forces and military resources. The Lithuanians described their desire to continue to support their PRT in Gwohr Province but also noted the cost of running their operations there consumed nine percent of their annual defense budget. The Estonians pointed out that success in Afghanistan will ultimately require a comprehensive, coordinated approach that includes

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closer relations with Pakistan, more civilian-led development projects, and a better message to win Afghani hearts and minds. The Latvians discussed the probability of increasing their contribution in 2008 to between 150 and 200 troops.

16. (C) Although all three Balts have troops in Iraq, they expressed far less enthusiasm and commitment in comparison to the Afghanistan mission. All three conceded that depending on developments on the ground, their contribution of troops may change configuration (e.g. away from combat forces to reconstruction and development assistance, NATO Training Mission in Iraq, etc.). All three were eager to learn more about progress with the "surge" and the status of U.S. plans for future troop levels in Iraq. Aldwell explained that it was premature to make any judgment about the efficacy of the surge. However, the U.S. delegation made clear that the USG was committed to a sovereign, stable, secure Iraq. While encouraging each to continue to make meaningful contributions of troops in Iraq, Aldwell expressed thanks for the steadfast support all three have demonstrated in Operation Iraqi Freedom.

NATO Response Force

17. (C) There was a lengthy discussion on the general developments of the NATO Response Force (NRF) and the current NRF-14 rotation. In light of the operational challenges in Afghanistan last summer, the U.S. delegation suggested that NRF take on NATO's Strategic Reserve Force (SRF) mission. Also raised were possibly altering NRF mission requirements, costs to contributing Nations while forces are pledged to the NRF, and the need for allies to fill niche capabilities during each rotation. The Balts agreed with the idea of using the NRF as the SRF and suggested if the NRF was not used, it might be lost among the many competing priorities for European nations. While all the Balts saw the logic and the efficiencies to be gained with altering some of the NRF mission requirements,

they were nonetheless all opposed to dropping the NRF's "initial entry" mission. Estonian, Latvian, and Lithuanian interlocutors all argued that this mission provided the visible and material link between the NRF and Article 5, an essential element underpinning Baltic political support for meeting NATO Force Goals.

18. (C) Latvia, Lithuania, and Estonia are working closely together to create a Baltic Battalion, which is to be the Balts' contribution to NRF-14. Cooperation has advanced to the financing stage of the Battalion. The key challenge for all three Balts will be prioritizing resources and agreeing on leadership of the battalion. As all three countries are already involved in other international operations (e.g., Afghanistan, Iraq, Kosovo, Bosnia, etc.) and committed to contributing to the European Union (EU) Battle Group, each country will face challenges in meeting its force commitments. (Note. The Latvians mentioned they had considered opting out of EU military structure and battle group due to limited resources. Participation in NATO operations remains a top priority for Latvia. End Note.) Aldwell noted the positive example that Baltic contribution to NRF sets with other nations. He also stressed that their cooperation in providing an integrated battalion was important for maintaining their defense transformation momentum.

NATO-EU Relations

19. (C) The Lithuanian delegation led a frank discussion on the current state of affairs of NATO-EU relations. Saulius Gasiunas, Lithuanian MOD Director for NATO-EU Affairs, bluntly accused Germany and France of "poisoning relations" between NATO and the EU. The Lithuanians specifically pointed to France and Germany's insistence on an independent and separate European Security and Defense Policy (ESDP) HQ in Brussels that will only duplicate NATO resources and diminish European operational capabilities further. Additionally, the Lithuanians were incredulous that Baltic concerns seem to be treated as less important to the EU compared to the attention given to other small members, principally Cyprus. While the Latvian delegation felt Gasiunas' assessment overly gloomy, it did admit that

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Latvian efforts to promote NATO-EU cooperation were not supported within the EU. The Estonian delegation echoed both countries, and opined that on the political level, NATO-EU relations didn't look promising. They felt that at the moment there are too many divisions within Europe: Turkey versus Cyprus, Germany and France versus the ten new eastern members, and EU High Representative Solana versus NATO Secretary General de Hoop Scheffer. Overall, the Balts believe NATO to be the preeminent security organization for Europe and have no desire to waste resources on redundant requirements or staffs.

110. (C) Aldwell fully agreed with the problems regarding NATO-EU cooperation. Despite DOD's concerns over EU defense policies, Aldwell made clear that the USG supports a stronger EU so it can assume more responsibility and participate more in international operations. However, like the Lithuanians, the U.S. delegation expressed skepticism that the EU's current actions (i.e., an independent ESDP HQ) would help in achieving this. The U.S. delegation encouraged the Balts to meet with other like-minded allies at the working level in order to help break through this log jam. Aldwell summed up the discussion by saying that the U.S. supports closer NATO-EU cooperation, but the EU must do much more.

Other Items

111. (SBU) The following issues were also discussed:

- BALTIC COOPERATION: Latvia, Lithuania, and Estonia continue to cooperate closely in operating the Baltic Defense College (BDC) and asked that serious consideration be given to consistently providing a U.S. student in future years. All three expressed a desire for U.S. participation in the next Annual Baltic Defense Conference in September 2007. Aldwell suggested the BDC approach similar U.S. institutions with requests for visiting lecturers and speakers as a way to enhance their curriculum.

- STRATEGIC TRANSPORT: All three Balts expressed concern that the costs of the Strategic Airlift Consortium may be rising. The U.S. delegation said Consortium members included German and French suggestions in to the Consortium's proposal in order to gain their support. However, Germany and France still "broke silence," which is causing delays and may needlessly increase costs to the participants. Aldwell encouraged the Balts to pressure both Germany and France to drop their opposition to the Consortium.

- ARMAMENTS COOPERATION: Colonel Mark Price, OSD Regional Manager for International Cooperation, Acquisition, Technology, and Logistics, gave a presentation on U.S. armaments cooperation program.

Bilateral Working Group (BWG) Meetings

U.S.-Estonia BWG Meeting:

12. (SBU) Bilateral talks with the Estonians were extremely positive and constructive. Both sides agreed that U.S.-Estonian relations were close and healthy. The two most important issues for the Estonian delegation were (1) overcoming the interoperability challenges between U.S. and Estonian Counter-Improvised Explosive Device (CIED) equipment; and (2) U.S. support for Estonia's new Cyber Defense Center of Excellence (COE). Other issues discussed were International Military Education and Training (IMET) and Foreign Military Finance (FMF) funding, Military to Military (MIL-MIL) cooperation, and further joint cooperation in operations.

13. (C) COUNTER-IED INTEROPERABILITY: The Estonians remained concerned over interoperability problems between U.S. and Estonian CIED equipment in Iraq. While Martin Hurt, Ministry of Defense (MOD) Permanent U/S for Defense Investments, expressed his appreciation to the U.S. for its assistance and cooperation in arranging for the planned May test of Estonia's IRIS II CIED system, he made it clear that the GOE desires a binding, long-term framework agreement to share technical information which would

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support "in the field" updates as the threat evolves. Aldwell fully agreed that cooperation was crucial and said the U.S. Joint IED Defeat Organization (JIEDDO) coordination with the GOE on the pending test of IRIS II at the Yuma Proving Grounds was an important indicator of U.S. commitment. The U.S. delegation informed the Estonians that a master agreement for the technical exchange of information was tricky and complicated, taking at least six months and likely longer, but nonetheless pledged to continue working with the Estonians to deal with this challenge. (Note. Hurt recently met with DoD officials in Washington to discuss future cooperative agreements on defense procurement. End Note.)

14. (SBU) CYBER DEFENSE CENTER: In 2006, the Estonians established a Cyber Defense Center, and ultimately hope it will be designated as a NATO Center of Excellence (COE). The MOD has campaigned extensively to drum up support among allies, eventually receiving commitments of support from Germany and Spain, but no active U.S. participation. The

Estonians requested U.S. participation in their COE, specifically in the form of trainers and speakers. The MOD envisions their COE as critical in the current age of information warfare and vulnerability of both governmental and non-governmental communications, which rely heavily on internet technology. Plans call for organizing two conferences a year and a number of training workshops/seminars where participants can focus on broadening cyber defense capability by making allies interoperable at the technical, legal, and political levels. The Estonians made clear they are not asking for money from either NATO or the United States. Mihkel Tammet, MOD Director for Communications and IT, enthusiastically explained that the GOE is financing 80% of the costs and that the remainder is being funded by other countries in proportion to their participation in the center. The Estonians believe that receiving NATO's imprimatur as a COE and U.S. participation are critical for achieving more participation by allies. The U.S. delegation promised to take the Estonian request back to Washington.

¶15. (SBU) OTHER ISSUES: The Estonians thanked the U.S. for IMET and FMF assistance. They stressed the importance of IMET and FMF assistance, saying it directly enhanced Estonia's contributions in the Global War on Terror, and in particular, in Afghanistan. Hurt remarked that over the mid- to long-term, IMET will become more important for Estonia as the GOE is becoming more capable of procuring its own equipment. In the same vein, the Estonians were eager for more MIL-MIL cooperation and joint interaction in operations. The Estonians made two proposals: first, annual MIL-MIL meetings between U.S. and Estonian joint staffs at EUCOM; and second, joint military field exercises and cooperation in the area of air command and control, particularly as the Balts approach deployments and prepare to fulfill their NRF-14 commitments. The U.S. delegation agreed to consider the Estonian proposals. Aldwell made clear that any joint talks should be coordinated with both Lithuania and Latvia in order for any U.S. delegation to make the most effective use of opportunities to meet in the region.

U.S.-Latvia BWG Meeting:

¶16. (SBU) Discussions were positive and focused mostly on the development of the Latvian armed forces in compliance with their NATO established force goals. Latvians highlighted their projected 30 percent increase in their 2007 defense budget but also highlighted the impacts of strong inflation and a very tight labor-market on equipment acquisition, personnel recruitment and retention.

¶17. (C/NF) NATO AND RUSSIA: The Latvians clearly articulated several concerns regarding the activities of Russia in the NATO - Russia Council (NRC). The Latvians gave examples of Russian attempts to sabotage NATO decisional autonomy in the way Russian proposals are phrased. They fear that NATO acceptance of Russian language comes too easily and may eventually allow Russia to veto NATO decisions. They related Russian influence to the German resistance in NATO to Baltic requests for contingency planning for their defense under Article 5. They also gave examples of how Russian behavior in the NRC

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exemplifies their insincerity towards better cooperation with NATO.

¶18. (C/NF) CIED EQUIPMENT: Latvia requested that the U.S. loan electronic jammers to them in order to protect their forces during their upcoming deployment to Afghanistan. The U.S. currently has loaned such systems to the Latvians in Iraq and the country team is investigating options for this request with CENTCOM.

¶19. (SBU) U.S. SUPPORT AND ASSISTANCE: The Latvians made it clear that the most beneficial resource the U.S. can provide Latvia at this time is engagement and advice regarding national defense planning, personnel management, and systems acquisitions. U.S. financial assistance is greatly appreciated, and FMF funding and IMET funding have helped the Latvian armed forces make significant progress in development. (Note. The country team strongly supported the Latvian request for assistance in defense planning, personnel management, and acquisition. End Note)

U.S.-Lithuania BWG Meeting:

¶20. (SBU) The discussion with the Lithuanians was a productive exchange and reflected the strong ties and open communication that continue to characterize the bilateral relationship. The main issues of concern for the Lithuanians were (1) U.S. expectations on the future size and shape of the Lithuanian contingent in Iraq; (2) reconstruction efforts of the Lithuanian-led PRT in Afghanistan; (3) Air Policing; and (4) the status of the transfer of Osprey-class minesweepers.

¶21. (SBU) FUTURE OF LITHUANIAN PRESENCE IN IRAQ: Saulius Gasiunas reassured the U.S. delegation that Lithuanian troops will remain in Multinational Division South East (MND-SE) after the reductions of Danish and British Forces there this summer. Gasiunas mentioned the pressure Lithuania felt to remain in Iraq in their current composition during recent meetings in Vilnius with other OSD officials. The Lithuanians noted that the size and composition of the contingent was not likely to remain the same but this will ultimately be a political decision, which was yet to be made. The U.S. delegation expressed appreciation for the Lithuanian intention to stay in Iraq and acknowledged the significant contributions already being made by Lithuania in Afghanistan. Aldwell made it clear the USG wants the current contribution of a combat unit to continue, and that long-term Lithuanian participation in the coalition remains important as resources and personnel allow. Gasiunas responded that the Lithuanian delegation was happy to get this assurance.

¶22. (SBU) LITHUANIAN-LED PRT IN AFGHANISTAN: The Lithuanian delegation outlined the efforts being made by both the Ministry of National Defense (MoND) and the Ministry of Foreign Affairs to spur reconstruction in Ghowr Province. The Lithuanians stated that the operations and maintenance of the PRT now consumes eight to nine percent of the MoND budget. Gasiunas explained that the province needs strategic level infrastructure improvements, such as roads to fully integrate it with the rest of Afghanistan. He added that Lithuania is actively seeking international governmental and non-governmental support and funding, as the GOL has limited resources to commit to reconstruction. Gasiunas highlighted recent overtures to the United Arab Emirates (UAE), facilitated by DAO coordination, to sponsor strategic infrastructure improvement projects. While only initial contacts and discussions have been held with the UAE, Gasiunas was confident that the UAE will prove to be a good partner. Gasiunas noted the recent Ukrainian contribution of a medical doctor to the PRT, saying it was a positive step toward involving that nation in international operations. The Lithuanian delegation also expressed the desire for an Afghan National Army presence in Ghowr by this summer, noting the importance of demonstrating GOA and ISAF commitment to the region. The U.S. delegation commended Lithuania for its work in the PRT and acknowledged the depth of the Lithuanian financial commitment to the mission. Aldwell reminded the Lithuanians that their efforts in Ghowr continue to serve as an example to the rest of NATO of the impact a small country can have in a crucial mission. He also encouraged Lithuanian outreach to other nations as a positive step to

expanding international support for the reconstruction and development efforts in Afghanistan.

¶23. (SBU) NATO BALTIC AIR POLICING (AP): The Lithuanian delegation expressed satisfaction with U.S. support, recently presented to the NATO Military Committee, for the continuation of the AP mission in the Baltic region. Gasiunas noted that the MoND is working with Lithuanian civil aviation authorities and other agencies to explore possibilities for greater training opportunities so that rotational AP units can maintain their tactical skills while deployed. Additionally, Gasiunas stated that Lithuania is working with Latvia and Estonia to lower the costs for NATO members sending crews and aircraft to the mission. However, he noted with dismay that several possible AP contributors had asked the Balts to pay the salaries of their personnel deployed to the region. Taking on earlier U.S. suggestions to improve training opportunities for units deployed to the AP mission, the Lithuanian delegation requested additional information on the specific training requirements for U.S. air crews to maximize the training value during air policing deployments. Aldwell acknowledged that the U.S. will send another rotation in 2009 and stated that training requirements will probably vary by country and aircraft type deployed for the AP mission. He said he would ask the Joint Staff to engage the United States Air Forces in Europe (USAFE) to provide the Lithuanians with a more detailed set of requirements and suggested there may be a scale of training requirements and desires which the Balts will have to evaluate. (Note. Both Estonian and Latvian delegates said that Lithuania receives more financial benefits from the AP units deployed to Lithuania. End Note.)

¶24. (SBU) TRANSFER OF OSPREY CLASS NAVAL MINESWEEPERS: The Lithuanian delegation requested an update on the Excess Defense Articles transfer of two Osprey class mine counter measures vessels. CDR Sean Cannon, from the Defense Security Cooperation Agency, explained that the transfer of the ships is not supported by the U.S. House of Representatives Armed Services Committee (HASC). Two members of the HASC are objecting to the transfer on the grounds that the ships are still required in the U.S. inventory. Gasiunas explained that Lithuania had made significant plans for incorporating these ships into service. Lithuania was even hoping for more as they are vital to these ships fill a NATO Force Goal requirement, and that Lithuania dedicated significant funds for their transfer and subsequent upkeep. After Gasiunas pushed for a sense of the likelihood that the transfer would occur, Cannon frankly stated that transfer of the ships was not likely to occur given the opposition of two influential Members of Congress. Although disappointed, the Lithuanian delegation was glad to receive an honest assessment of the situation.

¶25. (C) OTHER ISSUES: The Lithuanian delegation explained the planned deployment of approximately 50 Special Operations Forces (SOF) troops to southern Afghanistan in July under ISAF command. Gasiunas noted that operational and logistical details of the deployment were still being coordinated, but the contingent will be deployed in the vicinity of Kandahar. Gasiunas also raised the issue of Lithuanian defense engagement at the working level with Belarus, expressing the feeling that more can be done to draw the Belarusians into the fold while staying below NATO and EU imposed thresholds for interaction. Aldwell acknowledged that the U.S. has heard this message from other allies. Gasiunas stated that Belarusian defense officials have expressed their willingness to contribute to international operations, if invited. Lastly, the Lithuanians thanked the USG for U.S. security assistance, noting its value in defense transformation, achieving interoperability with U.S. and NATO forces, and enhanced Lithuania's ability to participate in operations in Afghanistan and Iraq. After acknowledging that the likelihood of continued U.S. security assistance was low

given the many U.S. defense priorities, Gasiunas asked how much longer FMF and IMET would continue for Lithuania. Aldwell responded that the USG understands how important these programs have been to the many countries that receive assistance. He noted that the programs are administered by the Department of State and that many factors are weighed

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to determine allocations. Aldwell opined that the Balts will continue to receive FMF and IMET allocations for at least two more years but, beyond that timeframe, he could not speculate on the level of assistance.

126. (SBU) This cable was cleared by Anthony Aldwell, OASD/ISA Principal Director for European and NATO Policy and Head of the U.S. delegation.
GOLDSTEIN